

[Date]

[Borrower Name]  
[Property Address]  
[City, State, Zip Code]

**RE: Notice of Escrow Account Deficiency - Loan Number: [Loan Number]**

Dear [Borrower Name],

We recently completed an annual analysis of your escrow account. This analysis is conducted to ensure that sufficient funds are available to pay for your property taxes and insurance premiums as they become due.

Based on our review, your escrow account currently has a **deficiency** of \$[Amount]. This occurs when the actual balance in your account is less than the required balance due to an increase in your tax or insurance costs.

To resolve this deficiency, please choose one of the following options:

- **Option 1: Pay in Full.** Send a one-time payment of \$[Amount] by [Due Date]. Your monthly mortgage payment will still change to reflect new tax/insurance rates, but it will not include a deficiency recovery fee.
- **Option 2: Spread Payments.** The deficiency amount will be spread over the next [Number] months. This will increase your monthly mortgage payment by \$[Amount] starting on [Date].

**New Monthly Payment Details:**

- Current Payment: \$[Amount]
- New Payment (including escrow adjustment): \$[Amount]
- Effective Date: [Date]

If you have any questions regarding this notice or your escrow analysis statement, please contact our Customer Service Department at [Phone Number] or visit our website at [Website URL].

Sincerely,

[Servicer Name]  
[Department Name]